

Arizona State Board for Charter Schools

February 23, 2005

Executive Tower

1700 West Washington Street

Phoenix, Arizona 85007

Basement Room 56

MINUTES

Members Present-

Kurt Davis – President

Kimberly Mosher– Vice President

Mary Gifford – Superintendent’s Designee

Lynne Adams – Public Member **(telephonically)**

David Hume-Business Member **(telephonically)**

Linda Parson-Business Member **(telephonically)**

Magdalena Verdugo-Charter School Operator

(telephonically)

Members Absent

Jose Gabriel Loyola – Public Member

Onnie Shekerjian- Public Member

Senator Linda Aguirre - Advisory

Senator John Huppenthal - Advisory

Representative Ted Carpenter - Advisory

Meeting began at 10:10 AM

Agenda Item A: Pledge of Allegiance

Agenda Item B: Moment of Silence

Agenda Item C: Roll Call: Traci Sawyer-Sinkbeil called the roll and confirmed a quorum.

Agenda Item D: Call to the Public

Carolyn Inabinet, Music Works Academy owner, former vendor of Dove Academy stated she has yet to be reimbursed for services provided to the school. Contract was not honored and staff was not organized in structuring the class rosters and changes were made without notice.

Carolyn Cates, Music Works Academy keyboard instructor stated students were left unattended and the school was not a productive learning environment.

Agenda Item E: Presentation on grant opportunity-Governor’s Office-Becky Hill

No presentation

Agenda Item F: Dove Learning, Inc. The Board will receive information related to the requested financial, program and compliance audit/review of the school and will determine whether evidence exists that Dove Learning, Inc. is in breach of one or more provisions of their charter contract, federal, state, or local laws.

Kristen Jordison provided background information for the Board. During the January 10, 2005 meeting Kristen reported to the Board that in late September the office began receiving numerous complaints from vendors that Dove Academy had not paid timely. She further reported that staff had visited the school on two occasions, once in October and again in December to follow-up on these and other issues and requested additional information to ensure the proper financial reporting was occurring. Also at this meeting Kristen provided the Board with a copy of a letter from the school in response to the December visit.

After this report the Board requested that the staff continue and finalize a financial, program and compliance review to ensure that Dove Learning Inc. is operating in accordance with the law and their charter contract.

Kristen provided to the Board a detailed document of the results of this review that briefly described and then highlighted and expanded upon a few of the sections. The first page of the document provides a brief history of the school and lists the fiscal year 2005 revenues received to date. Pages two and three summarize the findings under each major topic heading with detailed information regarding each bullet point in the pages that follow.

For the first section, Federal Program Areas, staff worked with the US Department of Education and the Arizona Department of Education to determine the school's compliance in each of these four areas. In three of the four areas the school is not out of compliance but either the USDOE or the ADE have requested additional documentation or corrective action. For the fourth area, special education, the ADE began the 3rd year monitoring yesterday and will have a final report in the next couple of weeks.

The second section, Academic Program, staff requested that documents be made available that would demonstrate a curriculum aligned to the state standards and spent approximately three hours observing instruction in the classrooms. In an effort to not disrupt learning, staff conducted a review and were able to determine that in one third of the classrooms lessons that day were aligned to state standards and one fourth of the lessons that day were not aligned. The report further articulates all the observations made during the visit. Staff did not observe students utilizing the A+LS curriculum and were told that it has not been made available this year. Additionally, when asked to review the textbooks copies of Cambridge books, which are test prep books and not a full curriculum, were provided.

MOTION

Motion by Kimberly Mosher to issue a Notice of Intent to Revoke the charter of **Dove Learning, Inc.** on the basis of failure to provide a comprehensive program of instruction, providing instruction to and counting and reporting students in a grade level that was denied by the Board, failure to properly require and maintain fingerprint clearance cards for person engaged in instruction and administration, non-compliance with Generally Accepted Accounting principals (GAAP), insufficient support for expenditures, poor internal controls, failure to follow procurement policies as defined in the charter contract, failure to submit timely reports, lunch program, testing schedule, etc., failure to submit a timely fiscal year 2004 audit.

President Davis proposed an amendment to the motion that the matter be referred to the Office of Administrative Hearings. Amendment was accepted by Kimberly Mosher and seconded by Mary Gifford.

Motion passes unanimously

MOTION

Motion made by Mary Gifford to include an order in the Notice of Intent to Revoke to require that within 48 hours of receipt of the Notice of Intent to Revoke the Charter, the school shall, in writing, notify all staff and parents of students enrolled in the school(s) of the Notice of Intent to Revoke. The school will provide a copy of the writing to the Board. Also the school shall provide the Board with the names and mailing addresses of parents and guardians of all students enrolled in the school(s) at the time the Notice of Intent to Revoke was received. Motion seconded by Kimberly Mosher.

Motion passes unanimously

As staff indicated at the February meeting the school has enrolled second year high school students. As the Board is aware the school's request to add 10th grade was denied until the school completed a testing cycle without issues of non-compliance. After the denial, students who appeared as 9th graders in FY 2004 were submitted as 9th graders again in FY 2005. Transcripts of these students indicate that the student were 9th graders in FY 2004. Students appeared on teacher rosters in the fall of 2004 as 10th graders, were submitted to the ADE as 10th grade students in December, and were given a Cambridge PLAN test as sophomores on September 10, 2004. According to the school each of these students had not completed the appropriate course work to move to sophomore status. As described in the report, staff coordinated with the ADE to administer the AIMS test to these students. Staff was informed by the school prior to sending out letters to the parents & students that the students were no longer attending Dove Academy. According to the withdrawal slips of the school these students withdrew at 10th grade students. Staff tried to contact parents by phone but we were not successful in reaching anyone.

Compliance is the third section of the report. For this section staff reviewed various documentation including attendance records and documentation related to compliance with fingerprinting laws. Student level attendance data is statutorily required to be submitted every 20 days. The school was unable to electronically submit student attendance data until the end of December. The school has been submitting attendance data regularly since this time. Staff was unable to determine the accuracy of the attendance data for several classes in the fall due to the fact that the school was unable to locate teacher rosters for some classes because the teachers are no longer working for the school. Student enrollment has dropped from a head count of approximately 400 in October to a count of approximately 220 in January.

Of greater concern is the lack of a current fingerprint clearance card for the Superintendent of the school as well as an individual that was introduced to staff a teacher. As outlined on page 10 and 11 of the report the school has been provided a great deal of technical assistance from the staff in this area, has had issues in regard to proper fingerprinting in the past, and still fails to follow the statute and their own policies and procedures.

The Financial review is the final section of the report. Kristen stressed a couple of points so that the Board, the school, and the public were not mislead on what these findings of the financial review reveal. First, the staff

conducted a compliance review, not a financial audit, to determine the school's compliance with Generally Accepted Accounting Principles or GAAP. According to the charter contract the school must follow GAAP. GAAP requires that certain accounting practices be followed to ensure that monies can be tracked, the accounting information can be substantiated, and that the assets of the school are protected through internal controls. Staff found material deficiencies in two primary areas that result in non compliance with GAAP. These two areas are insufficient support for expenditures and poor internal controls that increase the likelihood of fraud or theft.

As mentioned earlier compliance with GAAP would result in the ability to substantiate the financial information the school is reporting to ensure the money was spent appropriately. For expenses this would be at a minimum a cancelled check and an invoice/bill by the vendor which outlines the services or goods provided and the price to be paid. For over 100 cancelled checks amounting to over \$240,000 there was no vendor information.

The Board cannot assume that because there is missing documentation that there has been inappropriate use of monies. However, a common form of theft is the use of fictitious vendors and that is the reason supporting documentation is so important. The school has recently hired a new financial services vendor to assist them with their finances, including retrieving missing documentation.

This is a brief summary of the full report. Kristen also thanked the school for their time and cooperation throughout this review process.

The Board asked specific questions regarding the fingerprint clearance card issues.

Dr. Shaloma Gray, Executive Director for Dove Learning, Inc. answered questions from the Board.

The Board asked specific questions regarding the 10th grade students in attendance at the school.

Dr. Gray answered questions from the Board.

The Board asked specific questions regarding the curriculum structure of the school.

Dr. Gray answered questions from the Board.

The Board asked specific questions regarding the state mandated testing.

Dr. Gray answered questions from the Board.

The Board asked specific questions regarding the completion of corrective action plans for different agencies.

Dr. Gray answered questions from the Board.

Agenda Item G: Adjournment

MOTION

Motion by Kimberly Mosher to adjourn the special meeting.
Motion seconded by Mary Gifford.

Motion passes unanimously

The meeting adjourned at approximately 11:33pm

Signature

Date